



MARK PESTRELLA, Director

**COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS**

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE
REFER TO FILE

January 08, 2019

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**CONSTRUCTION-RELATED CONTRACT
PUBLIC BUILDING CORE SERVICES AREA
CONSOLIDATED CORRECTIONAL TREATMENT FACILITY PROGRAM
ENVIRONMENTAL DETERMINATIONS
APPROVE REVISED TOTAL PROGRAM BUDGET
ESTABLISH CAPITAL PROJECT NOS. 67980, 67981, 67982, 67983, AND 89120
AWARD DESIGN-BUILD CONTRACT
AUTHORIZE EXECUTION OF A MEMORANDUM OF UNDERSTANDING
AUTHORIZE THE USE OF JOB ORDER CONTRACTING
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

SUBJECT

Public Works is seeking Board approval of the revised total budget of \$2,179,833,000 for the Consolidated Correctional Treatment Facility program and to approve capital projects for the main on-site project components; authorize the use of short-term and long-term financing for these various project components; award a stipulated sum design-build contract; authorize Public Works to exercise control of the proposed project allowances, with concurrence of the Chief Executive Office; authorize the Chief Executive Officer to finalize and execute a Memorandum of Understanding with the Superior Court of California, County of Los Angeles and the Judicial Council of California; and authorize the use of Job Order Contracting to carry out the remodel work at Pitchess Detention Center East.

IT IS RECOMMENDED THAT THE BOARD:

1. Determine that the recommended actions are within the scope of the Consolidated Correctional Treatment Facility program impacts analyzed in the Environmental Impact Report previously certified by the Board.
2. Approve the revised total budget for the Consolidated Correctional Treatment Facility program from the previously approved \$2,218,231,000 to \$2,179,833,000.
3. Approve and establish the main on-site project components of the Consolidated Correctional Treatment Facility program, including the Consolidated Correctional Treatment Facility Parking Structure, Capital Project No. 67980; Consolidated Correctional Treatment Facility Central Utility Plant, Capital Project No. 67981; Consolidated Correctional Treatment Facility Main Towers, Capital Project No. 67982; Consolidated Correctional Treatment Facility Correctional Treatment Center, Capital Project No. 67983; and Twin Towers Inmate Reception Center Renovation, Capital Project No. 89120; and authorize the use of short-term and long-term financing for these various project components.
4. Find that McCarthy Building Companies, Inc., is the responsive and responsible proposer that submitted the most qualified proposal for design and construction of the Consolidated Correctional Treatment Facility program, based on the criteria stated in the Request for Proposals.
5. Award a stipulated sum design-build contract to McCarthy Building Companies, Inc., the proposer ranked as most qualified, for design and construction of the Consolidated Correctional Treatment Facility program, and delegate authority to the Director of Public Works or his designee to finalize contract negotiations and to execute a stipulated sum design-build contract with McCarthy Building Companies, Inc., for a \$1,449,956,613 not-to-exceed stipulated sum, plus a \$10,000,000 design completion allowance, \$251,753,000 construction labor and materials cost escalation allowance, and \$2,500,000 project management information system allowance, for a \$1,714,209,613 not-to-exceed maximum contract sum.
6. Authorize the Director of Public Works or his designee, with concurrence of the Chief Executive Office, to exercise control over the \$10,000,000 design completion, \$251,753,000 construction labor and materials cost escalation, and \$2,500,000 project management information system allowances, including authority to reallocate the design completion allowance into the contract sum.
7. Authorize the Chief Executive Officer or her designee to finalize and execute a Memorandum of Understanding between the Superior Court of California, County of Los Angeles and the Judicial Council of California, to outline the parties' responsibilities to ensure the continuity of Central Arraignment Court operations during construction of the Consolidated Correctional Treatment Facility program for a \$20,968,000 not-to-exceed amount, and to transfer funding annually as required for reimbursement to the Superior Court of California.
8. Authorize the Director of Public Works or his designee to carry out the previously approved repair and remodeling work for the Pitchess Detention Center East Facility Renovation project, Capital Project No. 87463, using previously Board-approved Job Order Contracts.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will comply with the California Environmental Quality Act (CEQA) and allow the award of a design-build contract for the Consolidated Correctional Treatment Facility (CCTF) program; approve the revised total budget of \$2,179,833,000; establish capital projects for the main on-site project components of the CCTF program; authorize the use of short-term and long-term financing for these various components; delegate authority to Public Works to finalize contract negotiations and execute a stipulated sum design-build contract with McCarthy Building Companies, Inc.; authorize Public Works to exercise control of the proposed project allowances, with concurrence of the Chief Executive Office (CEO); authorize the CEO to finalize and execute an Memorandum of Understanding (MOU) with the Superior Court of California, County of Los Angeles, and the Judicial Council of California (JCC); and authorize the use of Job Order Contracting (JOC) to carry out the remodel work at Pitchess Detention Center East (PDCE).

Project Background

Between July 2014 and June 2018, the Board approved various actions to support the planning and evaluation of the proposed CCTF to be built on the site of the existing Men's Central Jail (MCJ) at 429 Bauchet Street in the City of Los Angeles, which will be demolished as part of the project. CCTF would be treatment-centric and include design features intended to promote a more healing environment that is conducive to the treatment and rehabilitation of male and female inmate-patients (resident-patients). These features include combining program and treatment spaces and housing units all on the same floor, single-level housing units, smaller housing units with 40 beds instead of 64, single-level bunks, architectural design features to create visual connections with the outdoors and bring in more natural light, and a maximum male and female resident-patients bed capacity of 3,885. CCTF along with the Mira Loma Women's Center, is a component of the County's larger continuum of care, which aims to treat and rehabilitate male and female resident-patients within its care, rather than just incarcerate. The goal is to provide male and female resident-patients with the skills and resources needed for their successful reintegration into society, and thus reduce recidivism.

The advantages of these treatment-centric features include: housing units designed to function as therapeutic communities with more direct and personalized contact between male and female resident-patients and medical/mental health and correctional staff; improved access to medical/mental health treatment; a design that improves suicide prevention, disabled access, lines of sight, resident-patient and staff security, and complies with the Prison Rape Elimination Act; and flexibility for managing a fluctuating resident-patient population.

A key component of CCTF would be its new Inmate Reception Center (IRC), which would streamline the intake, classification, and assessment of both male and female resident-patients' medical and mental health and substance-use disorders to expedite the delivery of health services. The new IRC would also provide resident-patients exiting the correctional system with comprehensive services to assist them with the reintegration back to society. The IRC would link resident-patients to community-based organizations that would provide "wrap around" services upon release to ensure they continue to receive care and reduce recidivism. The project would also relocate the medical Correctional Treatment Center (CTC) from the Twin Towers Correctional Facility (TTCF) to CCTF to more effectively provide mental health and medical services to male and female resident-patients.

The project will comply with applicable building codes and regulations, including Title 24, Americans with Disabilities Act, Board of State and Community Corrections (BSCC), and State Fire Marshall. The project will also comply with both Federal and State correctional safety and security measures including the Prison Rape Elimination Act.

In addition, these features will further the compliance requirements in the September 3, 2015, Joint Settlement Agreement between the County and the Department of Justice to meet the medical and mental health needs of resident-patients and ensure their reasonable safety.

On June 19, 2018, the Board certified the Final Environmental Impact Report (EIR) for CCTF; approved the project with a preliminary total program budget of \$2,218,231,000; authorized Public Works to pay a stipend of \$1,000,000 to the design-build team not selected to carry out the project; established the PDCE Facility Renovation project to temporarily house the MCJ infirmary during construction of CCTF; and authorized Public Works to carry out selective demolition and hazardous materials abatement at PDCE using JOCs. The Board also approved the use of off-site parking for CCTF, utilizing the recently acquired Vignes lot.

Current Progress:

Design-Build Solicitation

CCTF will be delivered through a stipulated sum design-build methodology to establish upfront budget expectations. Under the stipulated sum design-build delivery approach, a design-builder is selected based on qualifications, including the proposed teams' personnel, experience, and proposed conceptual design elements, as well as the proposers' agreement to the project cost stipulated by the County. Through a collaborative 12-month process between the County and design-builder, the project scope, cost, and schedule will be validated following contract award. After this validation period, parties will either agree on the validated scope, schedule, and any increased or decreased costs due to agreed changes in project scope, or, if the parties cannot reach agreement, either the County or the design-builder can terminate the contract. The County can then choose to work with another design-builder or contractor, including using the design documents prepared during the validation process. The not-to-exceed total contract sum, which may be paid to McCarthy for work during this validation period, is \$53,000,000.

Public Works completed the design-build solicitation process for CCTF and is recommending the award of a stipulated sum design-build contract to McCarthy. An Evaluation Committee consisting of members from Public Works, Sheriff's Department (LASD), Department of Health Services (DHS), and CEO deemed McCarthy as the most responsive and responsible bidder that submitted the most qualified, stipulated sum proposal to the County for design and construction of CCTF.

As authorized by the Board on June 19, 2018, a stipend in the amount of \$1,000,000 will be paid to Hensel Phelps Construction Company, the design-build team not selected to carry out CCTF. The Hensel Phelps team prepared conceptual designs for CCTF, attended over 16 confidential individual meetings with County representatives during the solicitation period to assist them with scope clarifications and help formulate the conceptual design solution submitted with their proposal. In addition, the Hensel Phelps team attended 3 full-day proprietary interactive meetings where they worked with County staff on the proposed design solution for the new IRC. The payment of the stipend gives the County the right to use the information and ideas submitted by Hensel Phelps.

Project Allowances

The maximum contract sum of \$1,714,209,613 includes the following: a reduced \$10,000,000 design completion allowance, \$251,753,000 construction labor and materials cost escalation allowance, and \$2,500,000 project management information system (PMIS) allowance. While these allowances are included within the maximum contract sum, the design-builder will not be able to access the allowances without written authorization by Public Works and concurrence of the CEO.

Design Completion Allowance: The allowance is intended to facilitate the resolution of design refinements or issues identified during the project's design phase, including any design revisions or issues concerning the County's scoping documents, changes required by jurisdictional agencies, or due to unforeseen conditions discovered during design. The design completion allowance would cover any increased design or construction costs associated with the change.

Escalation Allowance: The allowance is reserved for the escalation of construction costs during the entire duration of the CCTF program, including but not limited to, escalation costs for labor, materials, equipment, and taxes. The escalation allowance would only apply to work within the scope of the project at the time of completion of the 12-month validation phase. Escalation would be determined by the County yearly based on a formula linked to a common construction cost index with a limitation on the total percentage of any yearly increases.

PMIS Allowance: The allowance is reserved for the implementation of an electronic information documentation system for use throughout the entire duration of the CCTF program, including but not limited to, software and licenses. PMIS will be directed and led by the County and used by all project participants to facilitate project documentation.

Relocation of the Central Arraignment Court (CAC) and Justice Partners:

It is proposed that the existing CAC located on the MCJ site be temporarily relocated to the East Los Angeles (ELA) Courthouse during construction of CCTF. To accommodate the relocation of CAC, the CEO, Superior Court, and JCC have drafted an MOU, which outlines each parties' responsibilities to ensure continuity of Superior Court operations. To offset a loss of efficiency, the Superior Court is requesting that the County reimburse staff costs to open a fifth courtroom. Additionally, existing functions of the ELA Courthouse will be moved to Central Civil West Courthouse. The County will pay for associated lease and relocation costs for both CAC and ELA Courthouse until CAC is relocated to CCTF. It is estimated that CAC will be temporarily relocated for approximately 9 years.

The proposed MOU (Enclosure A) with the Superior Court and JCC has been negotiated for the Board's consideration. The total impact to the County during the 9-year temporary relocation of CAC is anticipated to not exceed \$20,968,000. In addition to the relocation of CAC functions, the County of Los Angeles Justice Partners, which consist of Public Defender, Alternate Public Defender, Probation Department, and Mental Health Court, will also need to be temporarily relocated from CAC at MCJ into nearby County-owned and leased office space, as they provide support to the Superior Court and County constituents involved with the criminal justice system. The CEO will identify leased space to accommodate the Justice Partners, and will return to the Board, if applicable, with a recommendation to execute these lease agreements.

PDCE Facility Renovation

In December 2018, Public Works completed selective demolition and hazardous materials abatement work at PDCE. Design of the proposed repair and remodel work facilitating the relocation

of the MCJ infirmary to PDCE is completed and plans have been submitted for plan check. Public Works had previously recommended that the repair and remodel work at PDCE be delivered using the design-bid-build project delivery method. However, we are now recommending the work be delivered using previously Board-approved JOCs. The use of JOCs will allow Public Works to expedite construction and ensure the MCJ infirmary functions are relocated to PDCE prior to the estimated end of CCTF's contract validation period in January 2020.

Implementation of Strategic Plan Goals

The County Strategic Plan directs the provision of Strategy I.2, Enhance our Delivery of Comprehensive Interventions, Objective I.2.2, Streamline Access to Integrated Health Services; Strategy I.3, Reform Service Delivery Within our Justice Systems, Objective I.3.7, Implement the County's Jail Plan; and Strategy II.1, Drive Economic and Workforce Development in the County, Objective II.1.2, Support Small Business and Social Enterprises, Objective II.1.3, Coordinate Workforce Development.

CCTF will support these goals by focusing on emerging best practices in the medical and mental health fields to provide mental-health, substance use disorder, medical treatment and educational programs for both male and female resident-patients. The treatment-centric approach for CCTF would create a therapeutic environment that maximizes mental health programming with a focus on group interventions, integration of mental health, and high-level medical care with a new facility that will enhance operational efficiency.

FISCAL IMPACT/FINANCING

On June 19, 2018, the Board approved a preliminary total budget of \$2,218,231,000 for the CCTF program, Capital Project (C.P.) No. 69800. This budget included off-site construction and interim relocation activities, design-build contract, project allowances, change order contingency, design/scoping services, jurisdictional approvals, consultant services, Civic Arts allocation, miscellaneous expenditures, and County services. After review of the successful design-build proposal, Public Works was able to make reductions to the overall project cost by \$38,398,000, which will be used to offset a portion of the cost increase incurred in the Mira Loma Women's Center project. The revised total program budget for the CCTF project is \$2,179,833,000.

It is anticipated that the CCTF program will have multiple funding sources, including the use of cash funded net County cost and debt financing through a combination of short-term borrowing through the lease revenue notes program and long-term bonds. The current projected financing plan for the CCTF program would include approximately \$938,283,000 of cash funding and \$1,241,550,000 of debt financing. The annual debt service is estimated at approximately \$70,000,000 annually, projected to start in Fiscal Year 2025-26 and conclude in Fiscal Year 2051-52, but may change based upon the timing of debt issuances and mix of financing. The CEO will continue to set aside appropriation annually in a General Fund Designation to partially cover project costs during construction, and future estimated debt service costs.

The CEO will work with the Treasurer and Tax Collector (TTC) to determine the optimal timing and mix of short-term notes and long-term bonds issued to finance the CCTF program based on a consideration of the County's other capital project financing needs and priorities. Based on the financing plan and per Auditor-Controller's fiscal guidelines, it is recommended that the CCTF program be divided into five main project components. Each project component will utilize a unique

capital project number for accounting purposes and to separate the use of General Fund (net County cost) and short/long term financing.

It is recommended that the Board establish the following capital projects as main subcomponents of the overall CCTF program that will utilize short/long term financing:

C.P. No. 67980 - CCTF Parking Structure:	\$ 167,508,000
C.P. No. 67981 - CCTF Central Utility Plant:	\$ 104,660,000
C.P. No. 67982 - CCTF Main Housing Towers:	\$ 1,450,095,000
C.P. No. 67983 - CCTF Correctional Treatment Center:	\$ 235,839,000
C.P. No. 89120 - TTCF IRC Renovation:	\$ 158,849,000
Total:	\$2,116,951,000

The current estimated cost for each subcomponent is identified above, totaling \$2,116,951,000. The CEO will continue to work with TTC to determine the appropriate mix of cash and financing for each of these sub-components. Additionally, a general fund capital project number will also be established for each sub component to track total NCC expenditures for general accounting purposes. At the completion of each project component, the Auditor-Controller will update the Capital Asset system to record the new asset. Additionally, TTC will be able to utilize each completed project component as collateral to satisfy additional financing requirements, as needed.

In addition to the capital project sub-components identified above, the other project components included in the \$2,179,833,000 total program budget funded, or anticipated to be funded, with net County cost are:

C.P. No. 87463 - PDC East Renovation Project:	\$ 12,566,000
CAC MOU:	\$ 20,968,000
Approximate Expenditures to Date:	\$ 29,348,000
Total:	\$ 62,882,000

Currently, there is sufficient appropriation in the CCTF program, C.P. No.69800, to proceed with activities on a cash basis through the end of the 2018-19 fiscal year. Increases to appropriation for the CCTF program from the General Fund Designation and, when necessary, short/long term financing, based on the projected financing plan, will be done throughout the duration of the project, primarily through mid-year appropriation adjustments or the annual budget cycle. This will allow the CEO, TTC, and Public Works to develop detailed cash flows from which to structure net County cost requests and timing of financing issuances.

The proposed MOU with the Superior Court and JCC has been negotiated for Board consideration. The total impact to the County during the 9-year temporary relocation of CAC is anticipated to not exceed \$20,968,000. Each year, the Superior Court will file a claim for reimbursement with the County. The CEO will review each claim and provide reimbursement upon approval. It is anticipated that funds will be transferred annually from the CCTF program, C.P. No. 69800, to the Project and Facility Development Fund, for reimbursement to the Superior Court.

The total CCTF program budget and schedule are included in Enclosure B.

Operational Impacts:

The proposed staffing plan for the new CCTF reflects the efficiencies offered by the proposed podular design, and an overall reduction in the number of beds as compared to MCJ: 3,885 beds for CCTF vs. 4,879 beds for MCJ. Therefore, current staffing from MCJ, IRC and CTC, should be sufficient for the new CCTF, including some growth capability to accommodate the planned level of treatment-centric care.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The design-build contract with McCarthy will contain terms and conditions supporting the Board's ordinance and policies, including but not limited to: Child Support Compliance Program; Contractor Responsibility and Debarment; Contractor Employee Jury Service Program; Defaulted Property Tax Reduction Program; County's Greater Avenues for Independence and General Relief Opportunities for Work Policies; Reporting of Improper Solicitations; Contract Language to Assist in Placement of Displaced County Workers; and Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law).

Public Works continues project outreach efforts to educate the community and local constituents about CCTF and the County's intent to create a paradigm shift in the way resident-patients are cared for in the correctional system. The focus will be on emerging best practices in the medical and mental health fields to treat and rehabilitate resident-patients with medical and mental health conditions with improved access to re-entry services, rather than just incarceration. A website (www.cctfproject.org) was launched to provide overall project information, including a fact sheet, frequently asked questions, links to the Final EIR for CCTF, and informational videos and articles. Since March 2018, over 58 one-on-one meetings were held with various businesses, associations, advocacy groups, and City of Los Angeles Neighborhood Councils.

The CCTF program budget includes the maximum \$1,000,000 to be allocated to the Civic Arts Special Fund according to the Board's Civic Art Policy.

In accordance with the Board's consolidated Local and Targeted Worker Hire Policy adopted on September 6, 2016, the CCTF program will require that at least 30 percent of the total California craft worker hours for construction of the project be performed by Local Residents and at least 10 percent performed by Targeted Workers facing employment barriers. Additionally, in accordance with the Board's March 21, 2017, Motion, if a Project Labor Agreement is successfully negotiated with the Los Angeles Orange Counties Building and Construction Trades Council and approved by the Board, the CCTF program would participate.

The proposed MOU between the Superior Court, JCC, and County has been reviewed as to form by County Counsel. The term of the MOU will commence upon relocation of CAC operations and extend to the beneficial occupancy of the new CAC, which will be located at the vacated IRC of the TTCF.

ENVIRONMENTAL DOCUMENTATION

CCTF was analyzed in an EIR that was certified by the Board, as lead agency, on June 19, 2018, and a Mitigation Monitoring and Reporting Program (MMRP) and Statement of Overriding

Considerations were adopted at the time of certification. McCarthy's proposal for CCTF is consistent with the scope analyzed in the previously certified EIR. There are currently no changes to the project, or to the circumstances under which the project is undertaken, that require further review under CEQA. The previously adopted MMRP will continue to apply.

Upon the Board's approval of the recommendations on the CCTF program, Public Works will file a Notice of Determination with the Registrar-Recorder/County Clerk in accordance with Section 21152(a) of the California Public Resources Code. The previously certified EIR is available and can be viewed at the County of Los Angeles, CEO, located at the Kenneth Hahn Hall of Administration, Room 754, 7th Floor, Capital Programs/Property Development and Financing Section, as well as online at www.cctfproject.org.

CONTRACTING PROCESS

A stipulated sum design-build contract in a form approved by County Counsel, will be used for the design and construction of CCTF, and a standard consultant services contract will be used for the stipend. The standard Board-directed clauses that provide for contract termination and hiring qualified displaced County employees will be included in the contracts.

On March 13, 2017, Public Works issued a request for Statement of Qualifications for design-build services for CCTF. The statement of qualifications was advertised on the County's "Doing Business with Us", and Public Works "Business Opportunities" websites. Additionally, Public Works informed over 1,300 local small business enterprises about this business opportunity.

On April 20, 2017, two prequalification questionnaires were received and reviewed by an Evaluation Committee consisting of members from Public Works, LASD, DHS, and the CEO. Based on the review and evaluation, both firms were determined to be prequalified, shortlisted, and invited to submit stipulated sum proposals for CCTF.

On August 2, 2018, the two design-build firms submitted their stipulated sum proposals for review. The Evaluation Committee selected McCarthy, as the most responsive and responsible proposer that submitted the most qualified, stipulated sum proposal to the County, for design and construction of CCTF. The Evaluation Committee evaluated both proposers' proposed team's performance history, personnel, proposed work plan and schedule, life cycle cost analysis, conceptual plans, workforce commitment, and both proposers' agreement to the project cost stipulated by the County. Additionally, the Evaluation Committee evaluated proposers' Proprietary Interactive meetings, and oral presentation/interview. The evaluation was completed without regard to race, creed, color, or gender.

As approved by the Board on June 19, 2018, Public Works will execute a consultant services agreement with Hensel Phelps, the second highest ranked proposer, to pay a stipend in the amount of \$1,000,000, which gives the County the right to use the information and ideas submitted by the Hensel Phelps team.

The contract requires the contractor to pay its employees applicable prevailing wages in accordance with the California Labor Code.

McCarthy's 3-year contracting history with the County is on file with Public Works.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will have little or no impact on current services at MCJ or TTCF. The CCTF project will be carried out in phases to ensure that operations at both facilities are not interrupted during construction, and that operational impacts are minimized.

CONCLUSION

Please return one adopted copy of this letter to Public Works, Project Management Division II.

Respectfully submitted,



MARK PESTRELLA

Director

MP:ME:ec

Enclosures

- c: Arts Commission
- Auditor-Controller
- Chief Executive Office (Capital Programs Division)
- County Counsel
- Department of Health Services
- Department of Mental Health
- Department of Public Health
- Department of Public Social Services (GAIN/GROW Program)
- Executive Office
- Internal Services Department
- Office of Countywide Contract Compliance
- Sheriff's Department
- Treasurer and Tax Collector

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE COUNTY OF LOS ANGELES;
THE JUDICIAL COUNCIL OF CALIFORNIA; AND
THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
REGARDING THE RELOCATION OF COURT OPERATIONS AT
THE CENTRAL ARRAIGNMENT COURTHOUSE**

This MEMORANDUM OF UNDERSTANDING (“**MOU**”) is made and entered into as of _____, 2019 (“**Effective Date**”), by and between the County of Los Angeles (the “**County**”); the Judicial Council of California (the “**Judicial Council**”); and the Superior Court of California, County of Los Angeles (the “**Court**”). For purposes of this MOU, the County, Judicial Council, and Court may be individually referred to as a “**Party**” and collectively referred to as the “**Parties.**”

RECITALS TO AND PURPOSE OF MOU

A. The Trial Court Facilities Act of 2002, Government Code section 70301 et seq. (the “**Act**”), provided for the County’s transfer of responsibility for the funding and operation of all trial court facilities, as defined in the Act, located within the County of Los Angeles to the Judicial Council of California.

B. Pursuant to the Act, the County and Judicial Council entered into a Transfer Agreement (“**Transfer Agreement(s)**”) and a Joint Occupancy Agreement (“**JOA(s)**”) providing for the County and Judicial Council’s respective responsibility, operation, and use of each of the following trial court facilities, at which the Court conducts court operations:

1. The Central Arraignment Courthouse (Court Facility No. 19-U1), located at 429 Bauchet Street, Los Angeles, California (the “**Central Arraignment Courthouse**” or “**CAC**”);

2. The East Los Angeles Courthouse (Court Facility No. 19-V1), located at 4848 East Civic Center Way, East Los Angeles, California (the “**East LA Courthouse**”); and

3. The Central Civil West Courthouse (Court Facility No. 19-M1), located at 600 Commonwealth Avenue, Los Angeles, California (the “**Central Civil West Courthouse**” or “**CCW**”), which the County leases from a third-party lessor (the “**CCW Lessor**”).

C. The County proposes to demolish the Central Arraignment Courthouse and construct a new Consolidated Correctional Treatment Facility (“**CCTF**”) thereon and, as a result of which, the County further proposes to ultimately relocate the Court’s current

space in the Central Arraignment Courthouse into a replacement facility to be constructed by the County at the County's sole cost (the "**Replacement Facility**"), which the Parties anticipate to be located at 450 Bauchet Street, Los Angeles, California, commonly known as the Inmate Reception Center.

D. During the Central Arraignment Courthouse's demolition and the CCTF's construction, which the Parties anticipate will span a period of approximately ten years beginning on or about December 1, 2019 (collectively the "**CCTF Project**"), the Court will lose the use of its trial court facilities at the Central Arraignment Courthouse, encompassing four courtrooms and related judicial and staff space.

E. In an effort to support and cooperate with the CCTF Project as well as to mitigate the need for the County to build or modify additional space for the Court's use during the construction of the CCTF Project, the Court is willing to relocate and incorporate the operations of the Central Arraignment Courthouse into the East LA Courthouse under the conditions described in this MOU (the "**CAC Relocation**").

F. The purpose of this MOU is to set forth the Parties' intentions with respect to certain actions and agreements needed to accommodate, and in consideration for, the CAC Relocation which will impact the Court operations and trial court facilities at the Central Arraignment Courthouse, East LA Courthouse, and Central Civil West Courthouse pursuant to the terms of this MOU.

NOW, THEREFORE, in consideration of the foregoing Recitals and the covenants set forth herein, the Parties hereto mutually agree as follows:

1. Incorporation of Recitals. The Parties agree the foregoing Recitals are true and correct, and are hereby incorporated into this MOU by this reference.

2. Term. This MOU shall commence as of the Effective Date, and shall continue until both the Court's occupancy of the Replacement Facility and the satisfaction of all other obligations of the Parties set forth in this MOU or as otherwise mutually agreed to in writing by the Parties, but in any event, no later than the date of issuance of a certificate of occupancy for the Replacement Facility (the "**Term**"). For purposes of documenting the end of the Term, at the time that the County deems all obligations of this MOU to have been satisfied, the County shall provide written notice thereof to the Judicial Council and Court for their approval, which approval shall not be unreasonably withheld, conditioned, or delayed; once approved in writing, said date will constitute the expiration date of this MOU. If the Parties fail to document the termination date in writing, this MOU shall be deemed terminated on the date of issuance of a certificate of occupancy for the Replacement Facility.

3. CAC Relocation.

3.1. Relocation to East LA Courthouse. The Parties acknowledge and agree that the four courtrooms and related judicial and staff space currently located at the Central Arraignment Courthouse will be relocated to the East LA Courthouse. The Parties further acknowledge and agree as part of this CAC Relocation that, for any functions previously needed to support the Court and County's respective operations at the Central Arraignment Courthouse which are to be relocated to the East LA Courthouse, such functions of the Court will be absorbed into the Court Exclusive-Use Area and such functions of the County will be absorbed into the County Exclusive-Use Area of the East LA Courthouse (as those terms are defined in the East LA Courthouse JOA).

3.2. CAC Relocation Date. The Parties anticipate the CAC Relocation to be completed by or before December 1, 2019 (the "**CAC Relocation Date**"), which the County shall confirm in writing not less than 180 days prior to the actual CAC Relocation Date. Upon at least ninety days' prior written notice and in no event less than sufficient time to allow the Court to comply with its obligations under Government Code section 68106 for the giving of public notice of any courtroom closures, the County may reasonably adjust or extend the CAC Relocation Date with the written consent of the Judicial Council and Court, which consent shall not be unreasonably withheld, conditioned, or delayed. Prior to the CAC Relocation Date, the Parties shall cooperate in good-faith to coordinate all items necessary to accomplish the CAC Relocation including, without limitation, the schedule and Parties' responsibilities therefor. Notwithstanding the foregoing, the Court shall move its Central Arraignment Courthouse operations out of the Central Arraignment Courthouse by the CAC Relocation Date.

3.3. Costs of CAC Relocation. The Parties acknowledge and agree that the County shall be solely responsible for all costs and expenses incurred because of or associated with the CAC Relocation including, without limitation, the Court and County's relocation out of the Central Arraignment Courthouse and move into the East LA Courthouse, unless otherwise agreed to in writing by the Parties. The Parties acknowledge that in no event shall the Judicial Council be responsible for any of the said costs of the CAC Relocation and that the County's obligation to pay relocation costs hereunder shall be strictly limited to the reimbursement of the Court's actual reasonable costs directly incurred for the Court's relocations of courtrooms from the Central Arraignment Courthouse and into the new location, respectively, as further set forth herein, and will not include costs for any new furniture, fixtures or equipment for or costs of remodeling to the East LA Courthouse. The necessary relocation activities will be coordinated and managed by the Court.

3.4. Suspension of CAC JOA. As of the CAC Relocation Date, the Parties acknowledge and agree that, unless otherwise agreed to in writing, the County shall be responsible for, and the Judicial Council and Court shall be relieved from, any and all

obligations of the Judicial Council or Court set forth in the Central Arraignment Courthouse JOA including, without limitation, the Operation of the Court Exclusive-Use Area and the payment of any expenses or Shared Costs as may be required under the Central Arraignment Courthouse JOA, as those terms are defined therein. The Parties therefore expressly acknowledge that, upon the CAC Relocation Date, the Central Arraignment Courthouse JOA shall be suspended and excused throughout the Term of this MOU.

3.5. Subsequent Agreements for CAC and Replacement Facility. Prior to the termination of this MOU, the Parties agree to enter into and execute all agreements necessary to effectuate the provisions of this MOU with respect to the Central Arraignment Courthouse and Replacement Facility including, without limitation: (i) to terminate the Central Arraignment Courthouse JOA; and (ii) to provide for the management, operation, and use of the Replacement Facility and the Judicial Council's resulting Equity and Share therein (as those terms are defined in the Central Arraignment Courthouse JOA and the Act).

3.6. Costs of Operating a Fifth Courtroom at East LA Courthouse. The Parties recognize that the CAC Relocation will impact the Central Arraignment Courthouse's current effective layout and will result in the loss of workflow and other efficiencies of the Court. The Parties accordingly acknowledge and agree that, commencing on the CAC Relocation Date and throughout the Term of this MOU, the County shall reimburse the Court for all actual costs and expenses associated with the salary and benefits, which amounts shall be reasonably determined and may be adjusted by the Court in the Court's discretion so long as such adjustments are consistent with other Court employee salaries, of the Court staff required to operate a fifth courtroom at the East LA Courthouse or any subsequent location at which said fifth courtroom may be located. The staff required to operate said fifth courtroom shall be reasonably determined and may be adjusted by the Court in the Court's discretion based on general salary movement, but, notwithstanding the foregoing, said staff is anticipated to include (and the County's obligation to provide funding pursuant to this Section 3.6 shall be limited to) the following personnel (or the functional equivalents thereof): (i) one AB 109 Hearing Officer; (ii) one Judicial Assistant; (iii) one Court Services Assistant III; (iv) one Court Reporter; and (v) one Bailiff. Prior to the CAC Relocation Date, the County and Court shall cooperate in good-faith to coordinate all items necessary to effectuate the County's reimbursement of the salary and benefits of the Court staff required to operate said fifth courtroom pursuant to the terms of this section. Notwithstanding County's reimbursement, the Court staff shall remain Court employees and shall not be considered County employees. The Court shall remain responsible and liable, as the employer, for all such Court staff including, without limitation, any workers compensation claims.

3.7. Relocation of Displaced East LA Courthouse Functions. In order to accommodate the operations and space of the four courtrooms being displaced at the East

LA Courthouse as a result of the CAC Relocation, the Judicial Council and Court will be required to relocate the displaced East LA Courthouse courtrooms to another existing court facility(ies) in the County of Los Angeles, as determined by the Court in the Court's sole discretion. County's obligation to pay relocation costs hereunder shall be strictly limited to the reimbursement of the Court's actual reasonable costs directly incurred for the Court's relocations of courtrooms from East LA Courthouse and into their new location, and will not include costs for any new furniture, fixtures or equipment for or costs of remodeling to the new court facility(ies).

4. Central Civil West Courthouse.

4.1. CCW Premises. The accommodation of the displaced East LA Courthouse courtrooms will impact the Central Civil West Courthouse requiring the Court to maintain approximately 37,597 square feet of space therein which the County currently leases from the CCW Lessor for the Court's use pursuant to the JOA therefor (“**CCW Premises**”). The CCW Premises currently consist of four courtrooms and judicial chambers on the 16th floor, administrative staff space on the third floor, and space for the Sheriff's Department on the fourth floor.

4.2. County's Payment of CCW Premises and Relocation of East LA Courthouse Courtrooms. Commencing on the CAC Relocation Date and throughout the Term of this MOU, the Parties acknowledge and agree that the County shall assume financial responsibility for, and relieve the Judicial Council and Court from, any and all costs associated with the leasing of the CCW Premises. The County further agrees that it will be solely responsible for the costs and expenses, if any, incurred because of or associated with the relocation of the displaced East LA Courthouse courtrooms, unless otherwise agreed to in writing by the Parties.

4.3. Lease Terms; Alternative Space. The County shall be responsible for negotiating all lease terms for the CCW Premises with the CCW Lessor prior to the current lease expiring, subject to the Judicial Council's approval, which approval shall not be unreasonably withheld, conditioned, or delayed. In the event the County is unable to lease the CCW Premises throughout the Term of this MOU, the Parties acknowledge and agree that the County shall be responsible, at County's sole cost and expense, for providing the Court with alternative space comparable thereto and for the relocation of the CCW Premises to such alternative space. The County shall be required to obtain the Judicial Council and Court's written approval of any alternative space proposed by the County for the CCW Premises, which approval may be reasonably withheld or conditioned, but not delayed, by the Judicial Council or Court.

4.4. Subsequent Agreements for CCW. Prior to the expiration of this MOU, the Parties agree to enter into and execute all agreements necessary to effectuate the provisions of this MOU with respect to the Central Civil West Courthouse including,

without limitation: (i) to amend the terms of and/or terminate the Central Civil West Courthouse JOA; and (ii) either to assign to the Judicial Council, to otherwise provide for the Judicial Council's taking over of, to provide for the Court's continued occupancy under, or to terminate any lease agreement for the CCW Premises if determined to be so appropriate and necessary by the Judicial Council and Court, in the Judicial Council and Court's sole discretion.

5. General Provisions.

5.1. Entire MOU. This MOU contains the entire and complete agreement of the Parties with respect to the subject matter of this MOU, and supersedes any and all other previous or concurrent understandings, arrangements, or agreements, oral or written. No promises, representations, warranties, or inducements of any kind exist between any of the Parties to this MOU except as expressly set forth in this MOU. In all respects, except as specifically provided for in this MOU, each applicable Transfer Agreement and JOA shall remain in full effect and shall continue to govern the rights and responsibilities of the Parties during the Term of this MOU as set forth therein.

5.2. Notice. Any notices required or permitted to be given under the terms of this MOU must be in writing and may be: (i) personally delivered; (ii) mailed by depositing such notice in the United States mail, first class postage prepaid; or (iii) sent by reputable overnight delivery service, addressed as follows or to such other place as each Party hereto may designate by subsequent written notice to the other Party:

If to the County: County of Los Angeles
Chief Executive Office Real Estate Division
Attention: Jeff Chua
222 South Hill Street, 4th Floor
Los Angeles, CA 90012
Voice: 213-974-4362

With a copy to: County of Los Angeles
County Counsel
Attention: Amy Caves
500 West Temple Street, Room 652
Los Angeles, CA 90012
Voice: 213-974-1932

If to the Judicial Council: Judicial Council of California
Facilities Services
Attention: Associate Facilities Analyst
455 Golden Gate Avenue, 8th Floor
San Francisco, CA 94102
Voice: 415-865-5334

With a copy to: Judicial Council of California
Facilities Services
Attention: Manager, Real Estate
455 Golden Gate Avenue, 8th Floor
San Francisco, CA 94102
Voice: 415-865-4048

In addition, all notices by the County relating to the termination of this MOU, or an alleged breach or default by the Judicial Council or Court of this MOU, must also be sent to:

Judicial Council of California
Branch Accounting & Procurement
Attention: Manager, Contracts
455 Golden Gate Avenue, 6th Floor
San Francisco, CA 94102
Voice: 415-865-7989

If to the Court: Superior Court of California, County of Los Angeles
Attention: Allen Leslein, Director
Facilities Services & Capital Projects
111 North Hill Street, Room 623
Los Angeles, CA 90012
Voice: 213-633-1051

With a copy to: Superior Court of California, County of Los Angeles
Attention: Court Counsel
111 North Hill Street, Room 546
Los Angeles, CA 90012
Voice: 213-633-8590

5.3. Amendment. No addition to or modification of the terms of this MOU shall be valid unless made in a written amendment to this MOU, which is formally approved and signed by each of the Parties to this MOU.

5.4. Non-Assignability. No Party may assign this MOU to any third party without the prior, written consent of the other Parties.

5.5. Authority. The County, Judicial Council, and Court each certifies that it is duly authorized and empowered to execute, enter into, and perform its obligations set forth in this MOU, and each further certifies that the individual signing this MOU on its behalf has been duly authorized to execute this MOU on behalf of the Party and may legally bind the Party to the terms and conditions of this MOU.

5.6. Request for Supporting Documentation. In all cases in which the County is required to pay any cost or expense hereunder, the Court or the Judicial Council (as the case may be) shall provide to the County adequate documentation in support of any such cost, as reasonably requested by County, together with its request for reimbursement.

5.7. Audit. At any time during the Term of this MOU, or at any time within five (5) years of the termination of this MOU, authorized representatives of the County may conduct an audit of the Court's records specifically related to the provisions of this MOU for the purposes of verifying the appropriateness and validity of expenditures of County funds under the terms of this MOU. The County shall give reasonable prior, written notice of no less than seven (7) business days to the Court of any such audit and shall conduct any audit during the Court's normal business hours, unless the Court otherwise consents. If said audit reveals expenditures that cannot be verified or that were paid in violation of the terms of this MOU, the County may request that Court reimburse County or, if County funds have not yet been paid to the Court, the County may, in its discretion, reduce its Court funds obligation by an amount equal to such improper expenditures. The Court, within thirty (30) days of notification from the County of its audit findings, may dispute the audit findings in writing to the County and provide the County with records and/or documentation to support the expenditures.

[SIGNATURES ON FOLLOWING PAGE]

ACCEPTED AND AGREED TO:

APPROVED AS TO FORM:

Mary C. Wickham
County Counsel

COUNTY OF LOS ANGELES

By: _____
Name: Amy M. Caves
Title: Principal Deputy
Date: _____

By: _____
Name: Sachi A. Hamai
Title: Chief Executive Officer
Date: _____

APPROVED AS TO FORM:

Judicial Council of California,
Legal Services

JUDICIAL COUNCIL OF CALIFORNIA

By: _____
Name: Jeremy P. Ehrlich
Title: Attorney
Date: _____

By: _____
Name: Stephen Saddler
Title: Manager, Contracts
Date: _____

APPROVED AS TO FORM:

Court Counsel

**SUPERIOR COURT OF CALIFORNIA,
COUNTY OF LOS ANGELES**

By: _____
Name: Ivette Peña
Title: Chief Deputy, Legal Services
Date: _____

By: _____
Name: Sherri R. Carter
Title: Executive Officer/Clerk of Court
Date: _____

January 8, 2019

CONSTRUCTION-RELATED CONTRACT
PUBLIC BUILDING CORE SERVICES AREA
CONSOLIDATED CORRECTIONAL TREATMENT FACILITY PROGRAM
ENVIRONMENTAL DETERMINATIONS
APPROVE REVISED TOTAL PROGRAM BUDGET
ESTABLISH CAPITAL PROJECT NOS. 67980, 67981, 67982, 67983, AND 89120
AWARD DESIGN-BUILD CONTRACT
AUTHORIZE EXECUTION OF A MEMORANDUM OF UNDERSTANDING
AUTHORIZE THE USE OF JOB ORDER CONTRACTING
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)

PROGRAM SCHEDULE

Program Activity	Completion Date
Award Design Build-Contract	1st QTR 2019
Start Construction	1st QTR 2020
Housing Tower Occupancy	2nd QTR 2025
Construction Completion	1st QTR 2028

PROGRAM BUDGET SUMMARY

Budget Category	Budget Amount
Construction	\$1,877,618,000
Equipment	\$50,000,000
Plans & Specifications	\$22,640,000
Consultant Services	\$173,672,000
Misc. Expenditures	\$863,000
Jurisdictional Review/Plan Check/Permits	\$21,861,000
County Services	\$33,179,000
Total	\$2,179,833,000